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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Gerald Storch et al.

Examiner: Kramer, James A.

Serial No.: 09/865,893

Group Art Unit: 3627

Filed: May 25, 2001

Docket No.: T634.112.101

Date Due: June 20, 2005

Title: CO-BRANDED INTERNET SERVICE PROVIDER AND RETAILER INTERNET
SERVICE SITE WITH RETAILER-OFFERED INCENTIVES FOR MEMBER USE

Mail Stop Appeal Brief-Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

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We are transmitting herewith the attached:

- ☒ Transmittal Sheet containing Certificate of Mailing (1 pg.).
- ☒ Appeal Brief to the Board of Patent Appeals and Interferences of the U.S. Patent and Trademark Office (19 pgs.).
- ☒ Claims Appendix (5 pgs.).
- ☒ Authorization to charge Deposit Account no. 500471 in the amount of \$500.00 for Appeal Brief fee.
- ☒ 2 Return Postcards.

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CLAIMS AS AMENDED						
	(1) Claims Remaining After Amendment		(2) Highest Number Previously Paid For	(3) Present Extra	Rate	Fee
TOTAL CLAIMS	25	-	26		x =	\$0
INDEPENDENT CLAIMS	4	-	4		x =	\$
[] MULTIPLE DEPENDENT CLAIMS PRESENTED						\$
TOTAL						\$0

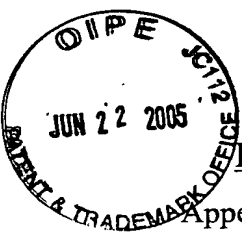
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By: Denyse Dauphinais
Name: Denyse Dauphinais



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appellant: Gerald Storch et al. Examiner: Kramer, James A.
Serial No.: 09/865,893 Group Art Unit: 3627
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Title: CO-BRANDED INTERNET SERVICE PROVIDER AND RETAILER INTERNET
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**APPEAL BRIEF TO THE BOARD OF
PATENT APPEALS AND INTERFERENCES OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE**

Mail Stop Appeal Brief-Patents

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

Appeal Brief

This brief is presented in support of the Notice of Appeal filed on April 20, 2005, from the final rejection dated December 23, 2004, and the Advisory Action dated March 30, 2005, rejecting claims 1-7, 10-24 and 30-32 of the above identified application. Claims 1-7, 10-24 and 30-32 remain for consideration.

The U.S. Patent and Trademark Office is hereby authorized to charge Deposit Account No. 500471 in the amount of \$500.00 for filing a Brief in Support of an Appeal as set forth under 37 C.F.R. 41.20(b)(2), however, at any time during the pendency of this application, please charge any fees required or credit any overpayment to Deposit Account 500471 pursuant to 37 C.F.R. 1.25. Additionally, please charge any fees to Deposit Account 500471 under 37 C.F.R. 1.16, 1.17, 1.19, 1.20, 1.21 and 41.20. Appellants respectfully request reversal of the Examiner's rejection of pending claims 1-7, 10-24 and 30-32.

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**Appeal Brief to the Board of Patent Appeals and Interferences
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Appellant: Gerald Storch et al.

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Real Party in Interest

The real party in interest is Target Brands, Inc. of Minneapolis, Minnesota.

Related Appeals and Interferences

There are no other prior and pending appeals, interferences or judicial proceedings which may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in this Appeal.

Status of Claims

Claims 1-7, 10-24 and 30-32 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Tobin (U.S. Patent No. 6,141,666) in view of Official Notice (with supporting evidence from "AOL, Wal-Mart to team on Net service"). Claims 10-12 are rejected under 35 U.S.C. §103(a) as being unpatentable over Tobin (U.S. Patent No. 6,141,666) in view of Official Notice. No claims have been allowed. Claims 1-7, 10-24 and 30-32 are appealed herein.

Status of Amendments

An Amendment and Response Under 37 C.F.R. 1.116 was filed on March 11, 2005, and the Advisory Action dated March 30, 2005, indicated that the amendments proposed by Appellants will be entered for purposes of appeal. The claims listed in the Claims Appendix reflect the claims after entry of the Amendment filed March 11, 2005.

Summary of Claimed Subject Matter

The Summary is set forth as an exemplary embodiment as the language corresponding to independent claims 1, 30, 31, and 32. Discussions about elements of claims 1, 30, 31, and 32 can be found at least at the cited locations in the specification and drawings.

The present invention, as claimed in independent claim 1, provides a method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site with a

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graphical user interface. The method comprises providing members access to a co-branded Internet site including the graphical user interface of the Internet service provider accessed through the Internet service site and one or more links to the Internet shopping site of the retailer. Members of the co-branded Internet site are provided with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site. Members are provided with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer. See page 7, line 22 through page 8, line 17; page 11, line 8 through page 12, line 10; and Figures 1 and 2, reference numbers 18, 22, 28, 30, 32.

The present invention, as claimed in independent claim 30, provides a method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site. The method comprises establishing a co-branded Internet site accessible through the Internet service site of the Internet service provider, where the co-branded Internet site comprises designations of both the retailer and the Internet service provider. The co-branded Internet site includes one or more links to the Internet shopping site of the retailer. The Internet service provider offers a news channel featuring news articles of interest to a demographic group of members. Client software for accessing the co-branded Internet site is distributed at retailer locations. Members of the co-branded Internet site are provided with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site. Members are provided a link to a news article and a link to a page on the Internet shopping site offering for sale a product featured in the news article. See page 7, line 22 through page 8, line 17; page 9, lines 6 through 17; page 11, line 8 through page 12, line 10; and Figures 1 and 2, reference numbers 18, 22, 28, 30, 32.

The present invention, as claimed in independent claim 31, provides a method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site with a graphical user interface. The method comprises providing members access to a co-branded Internet site including the graphical user interface of the Internet service provider accessed through the Internet service site and one or more links to the Internet shopping site of the

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retailer. Members of the co-branded Internet site are provided with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site. Members are provided with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer through the co-branded Internet site. See page 7, line 22 through page 8, line 17; page 11, line 8 through page 12, line 10; and Figures 1 and 2, reference numbers 18, 22, 28, 30, 32.

The present invention, as claimed in independent claim 32, provides a method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site with a graphical user interface. The method comprises providing members access to a co-branded Internet site including the graphical user interface of the Internet service provider accessed through the Internet service site and one or more links to the Internet shopping site of the retailer. Members of the co-branded Internet site are provided with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site. Members are provided with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer. Members are further provided with a discount on merchandise purchased on the Internet shopping site accessed through the co-branded Internet site, wherein a rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider. See page 7, line 22 through page 8, line 17; page 11, line 8 through page 12, line 10; and Figures 1 and 2, reference numbers 18, 22, 28, 30, 32.

Grounds of Rejection to be Reviewed on Appeal

Claims 1-7, 10-24 and 30-32 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Tobin (U.S. Patent No. 6,141,666) in view of Official Notice (with supporting evidence from "AOL, Wal-Mart to team on Net service"). Claims 10-12 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Tobin (U.S. Patent No. 6,141,666) in view of Official Notice.

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Argument

I. The rejection of claims 1-7, 10-24 and 30-32 under 35 U.S.C. § 103(a)

Claims 1-7, 10-24 and 30-32 are rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,141,666 by Tobin ("Tobin") in view of Official Notice. Appellants submit that the Tobin reference, alone or in combination with the Official Notice fails to disclose, teach, or suggest the invention of independent claims 1, 30, 31, and 32, and the claims depending therefrom.

A. The rejection of claims 1-7 and 10-24 under 35 U.S.C. § 103(a) as being unpatentable over Tobin in view of Official Notice

The rejection of claims 1-7 and 10-24 in the Final Office Action mailed December 23, 2004, under 35 U.S.C. § 103(a) as being unpatentable over Tobin in view of Official Notice (with supporting evidence from CNet News.com article titled "AOL, Wal-Mart to team on Net service") is not correct and should be withdrawn, because the rejection fails to establish a case of *prima facie* obviousness.

In particular, Tobin and the article cited in support of the statement of Official Notice, individually and in combination, fail to teach or suggest providing members with a discount on subscription fees for access to the co-branded Internet site **based upon a quantity of merchandise purchased from the retailer**. Rather, Tobin is acknowledged in the Final Office Action as failing to teach providing the member/shopper with a discount on subscription fees for the ISP, and the article cited in support of the statement of Official Notice teaches that free Internet access service is offered irrespective of whether merchandise is purchased from the retailer, rather than teaching or suggesting that the cost of the Internet access service is based upon a quantity of merchandise purchased from the retailer, as set forth in independent claim 1.

Referring to Section 706.02 (j) of the MPEP, to establish a *prima facie* case of obviousness, three basic criteria must be met:

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- (1) There must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference to combine reference teachings;
- (2) There must be reasonable expectation of success;
- (3) The prior art reference (or references when combined) must teach or suggest all the claim limitations.

The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on Appellants disclosure. See *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (F.E.D. Cir. 1991).

Independent claim 1 recites a method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site with a graphical user interface. The method comprises providing members access to a co-branded Internet site including the graphical user interface of the Internet service provider accessed through the Internet service site and one or more links to the Internet shopping site of the retailer. Members of the co-branded Internet site are provided with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site. Members are provided with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer.

Tobin is alleged to teach a system for co-branding a web site between two partner companies. (See Final Office Action at pages 2-3, referencing Tobin, column 9, lines 5-50). The system is specifically for Internet shopping, but Tobin is further alleged to teach the system is applicable to intranets defined by a particular class of online customer such as Digital City customers which are a part of America Online's service. (See Final Office Action at page 2, referencing Tobin, column 16, lines 62-66).

Tobin's example of an Internet site providing floral and gift services (i.e., "PC Flowers and Gifts") is alleged to teach Internet service providers (ISPs) display site pages customized to the requirements of the participating ISP. (See Final Office Action at page 2, referencing Tobin, column 5, lines 4-18).

Tobin is further alleged to teach an order page which allows for customizations, and specifically pricing incentives, discounts by percentage or fixed dollar amount. (See Final

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Office Action at page 2). Thus, Tobin is alleged to teach providing members/shoppers with incentives to access and shop on the co-branded Internet site. (See Final Office Action at page 2).

Figures 11A-11C of Tobin are alleged to illustrate a co-branded web site of PC Flowers and Gifts and their marketing partner Pathfinder. (See Final Office Action at page 2). In the referenced example, Pathfinder represents the ISP and PC Flowers and Gifts represents the Internet shopping site. (See Final Office Action at page 2). Figures 11A-11C are further alleged to teach 1) providing a link to the Internet shopping site (i.e., PC Flowers and Gifts) on all pages of the Internet service site (i.e., Pathfinder); 2) providing a link to the Internet shopping site (i.e., PC Flowers and Gifts) with an icon comprising one or more trademark logos of the retailer (i.e., PC Flowers and Gifts); and 3) providing a tool bar with links to the Internet shopping site (i.e., PC Flowers and Gifts). (See Final Office Action at page 3).

With respect to claims 11 and 12 of the present application (requiring distribution of the co-branded site from the Internet shopping site and the ISP, respectively), Tobin is alleged to teach distribution as the co-branded site is developed or distributed based on a request/hypertext link from either the Internet shopping site (i.e., PC Flowers and Gifts) or the ISP (i.e., Pathfinder). (See Final Office Action at page 3).

The Final Office Action acknowledges that Tobin does not teach providing members/shoppers with advance notice of events nor providing the member/shopper with a discount on subscription fees for the ISP. (Final Office Action at page 3).

However, the Final Office Action takes Official Notice that both of these forms of incentives are old and well known in the art in order to entice members/shoppers to purchase from a site. As support, the Final Office Action cites the article titled "AOL, Wal-Mart to team on Net service", and in particular the section that discusses co-branded free Internet access service. Free service is alleged to represent a "discount". (See Final Office Action at page 3). Official Notice is also taken that it is old and well known in the art of ISPs to distribute software via retail stores. (See Final Office Action at page 4, referencing "AOL, Wal-Mart to team on Net service").

As described above, independent claim 1 recites, in part, **"providing the members with a discount on subscription fees for access to the co-branded Internet site based**

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upon a quantity of merchandise purchased from the retailer.” The record provides no evidence that providing members with a discount on subscription fees for access to the recited co-branded Internet site, **based upon a quantity of merchandise purchased from the retailer**, would have been obvious. As acknowledged in the Final Office Action, Tobin does not teach providing the member/shopper with a discount on subscription fees for the ISP. (See Final Office Action at page 3). In addition, the statement of Official Notice fails to suggest that access to the free co-branded Internet site is **based upon a quantity of merchandise purchased from the retailer**. (See Final Office Action at page 3). Further, the article cited in support of the statement of Official Notice includes no teaching or suggestion that the co-branded free Internet access service is related in any way to a quantity of merchandise purchased from the retailer. In fact, the article implies that there is no relationship between the free Internet access service and a quantity of merchandise purchased from the retailer, stating: “If someone is standing in Wal-Mart with a cart full of disks and handing them out, it gives these people who may never have been on the Net a sense of security”. (See “AOL, Wal-Mart to team on Net service” at page 2). Clearly, if “someone is standing in Wal-Mart with a cart full of disks and handing them out”, the cost of the Internet access service is not based upon a quantity of merchandise purchased from the retailer. Appellants respectfully submit that the article cited in support of the statement of Official Notice teaches that the free Internet access service is offered irrespective of whether merchandise is purchased from the retailer (and in fact the free Internet access service is offered to induce purchases from the retailer), rather than being based upon a quantity of merchandise purchased from the retailer, as set forth in independent claim 1.

Appellants respectfully submit there is no suggestion or motivation provided in the art of record to provide members with a discount on subscription fees for access to the co-branded Internet site **based upon a quantity of merchandise purchased from the retailer**. Further, Appellants submit that there is no authority or evidence to support the statement of Official Notice as to providing members with a discount on subscription fees for access to the co-branded Internet site **based upon a quantity of merchandise purchased from the retailer**. Rather, it is only Appellants disclosure that teaches **providing members with a**

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discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer.

In view of the above, Appellants respectfully submit that the above rejection of independent claim 1 under 35 U.S.C. 103(a) should be withdrawn.

Dependent claims 2-7 and 10-24 depend directly or indirectly upon independent claim 1. Accordingly, dependent claims 2-7 and 10-24 are also allowable over the art of record.

B. The rejection of claim 30 under 35 U.S.C. § 103(a) as being unpatentable over Tobin in view of Official Notice

Independent claim 30 is previously presented dependent claim 28, rewritten in independent form. The rejection of claim 30 (claim 28 in the Final Office Action mailed December 23, 2004), under 35 U.S.C. § 103(a) as being unpatentable over Tobin in view of Official Notice (with supporting evidence from CNet News.com article titled “AOL, Wal-Mart to team on Net service”) is not correct and should be withdrawn, because the rejection fails to establish a case of *prima facie* obviousness.

In particular, Tobin and the article cited in support of the statement of Official Notice, individually and in combination, fail to teach or suggest **providing to members a link to a news article and a link to a page on the Internet shopping site offering for sale a product featured in the news article**. Rather, Tobin and the article cited in support of the statement of Official Notice are both silent regarding this limitation, as set forth in independent claim 30.

Referring to Section 706.02 (j) of the MPEP, to establish a *prima facie* case of obviousness, three basic criteria must be met:

- (1) There must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference to combine reference teachings;
- (2) There must be reasonable expectation of success;
- (3) The prior art reference (or references when combined) must teach or suggest all the claim limitations.

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The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on Appellants disclosure. See *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (F.E.D. Cir. 1991).

Independent claim 30 recites a method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site. The method comprises establishing a co-branded Internet site accessible through the Internet service site of the Internet service provider, where the co-branded Internet site comprises designations of both the retailer and the Internet service provider. The co-branded Internet site includes one or more links to the Internet shopping site of the retailer. The Internet service provider offers a news channel featuring news articles of interest to a demographic group of members. Client software for accessing the co-branded Internet site is distributed at retailer locations. Members of the co-branded Internet site are provided with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site. Members are provided a link to a news article and a link to a page on the Internet shopping site offering for sale a product featured in the news article.

Tobin is as discussed above in Section I.A.

Official Notice is as discussed above in Section I.A.

The prior art references and the statement of Official Notice fail to teach or suggest all the claim limitations of independent claim 30. Specifically, the record provides no evidence that **providing to members a link to a news article and a link to a page on the Internet shopping site offering for sale a product featured in the news article** would have been obvious in view of the prior art. Notably, the Final Office Action makes no allegation that Tobin teaches or suggests, and in fact Tobin does not teach or suggest, providing to members a link to a news article and a link to a page on the Internet shopping site offering for sale a product featured in the news article. Likewise, the statement of Official Notice and article cited in support thereof make no allegation or suggestion regarding providing to members a link to a news article and a link to a page on the Internet shopping site offering for sale a product featured in the news article.

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In view of the above, Appellants respectfully submit that the Patent Office has provided no authority or evidence to support the rejection of claim 30, and respectfully submit that the rejection of independent claim 30 under 35 U.S.C. 103(a) should be withdrawn.

**C. The rejection of claim 31 under 35 U.S.C. § 103(a) as being
unpatentable over Tobin in view of Official Notice**

Independent claim 31 is previously presented dependent claim 9, rewritten in independent form. The rejection of claim 31 (claim 9 in the Final Office Action mailed December 23, 2004), under 35 U.S.C. § 103(a) as being unpatentable over Tobin in view of Official Notice (with supporting evidence from CNet News.com article titled “AOL, Wal-Mart to team on Net service”) is not correct and should be withdrawn, because the rejection fails to establish a case of *prima facie* obviousness.

In particular, Tobin and the article cited in support of the statement of Official Notice, individually and in combination, fail to teach or suggest providing members with a discount on subscription fees for access to the co-branded Internet site **based upon a quantity of merchandise purchased from the retailer *through the co-branded Internet site***. Rather, Tobin is acknowledged in the Final Office Action as failing to teach providing the member/shopper with a discount on subscription fees for the ISP. Also, the article cited in support of the statement of Official Notice teaches that free Internet access service is offered irrespective of whether merchandise is purchased from the retailer, and further teaches that software for obtaining free Internet access service is handed out at the retailer’s bricks and mortar establishment (rather than being based upon a quantity of merchandise purchased from the retailer *through the co-branded Internet site*, as set forth in independent claim 31).

Referring to Section 706.02 (j) of the MPEP, to establish a *prima facie* case of obviousness, three basic criteria must be met:

- (1) There must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference to combine reference teachings;
- (2) There must be reasonable expectation of success;

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- (3) The prior art reference (or references when combined) must teach or suggest all the claim limitations.

The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on Appellants disclosure. See *In re Vaack*, 947 F.2d 488, 20 USPQ2d 1438 (F.E.D. Cir. 1991).

Independent claim 31 recites a method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site with a graphical user interface. The method comprises providing members access to a co-branded Internet site including the graphical user interface of the Internet service provider accessed through the Internet service site and one or more links to the Internet shopping site of the retailer. Members of the co-branded Internet site are provided with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site. Members are provided with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer through the co-branded Internet site.

Tobin is as discussed above in Section I.A.

Official Notice is as discussed above in Section I.A.

As described above, independent claim 31 recites, in part, **“providing the members with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer through the co-branded Internet site.”** The record provides no evidence that providing members with a discount on subscription fees for access to the recited co-branded Internet site, **based upon a quantity of merchandise purchased from the retailer through the co-branded Internet site**, would have been obvious. As acknowledged in the Final Office Action, Tobin does not teach providing the member/shopper with a discount on subscription fees for the ISP. (See Final Office Action at page 3). In addition, the statement of Official Notice fails to suggest that access to the free co-branded Internet site is **based upon a quantity of merchandise purchased from the retailer**, or further that the discount is based upon merchandise purchased **through the co-branded Internet site**. (See Final Office Action at page 3). Further, the article cited in support of the statement of Official Notice includes no teaching or

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Filed: May 25, 2001

Docket No.: T634.112.101

Title: CO-BRANDED INTERNET SERVICE PROVIDER AND RETAILER INTERNET SERVICE SITE
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suggestion that the co-branded free Internet access service is related in any manner to a quantity of merchandise purchased from the retailer through the co-branded Internet site. In fact, the article implies that there is no relationship between the free Internet access service and a quantity of merchandise purchased from the retailer, whether or not the merchandise is purchased through the co-branded Internet site. Indeed, the article cited in support of the statement of Official Notice teaches that the software for obtaining free Internet access service is provided at the retail establishment. The article states: "If someone is standing in Wal-Mart with a cart full of disks and handing them out, it gives these people who may never have been on the Net a sense of security". (See "AOL, Wal-Mart to team on Net service" at page 2). Clearly, if "someone is standing in Wal-Mart with a cart full of disks and handing them out", the cost of the Internet access service is not based upon a quantity of merchandise purchased from the retailer *through an Internet site*. Appellants respectfully submit that the article cited in support of the statement of Official Notice teaches that the free Internet access service is offered irrespective of whether merchandise is purchased from the retailer through an Internet site (and in fact the free Internet access service is offered to induce purchases from the retailer), rather than being based upon a quantity of merchandise purchased from the retailer through the co-branded Internet site, as set forth in independent claim 31.

Appellants respectfully submit there is no suggestion or motivation provided in the art of record to provide members with a discount on subscription fees for access to the co-branded Internet site **based upon a quantity of merchandise purchased from the retailer through the co-branded Internet site**. Further, Appellants submit that there is no authority or evidence to support the statement of Official Notice as to providing members with a discount on subscription fees for access to the co-branded Internet site **based upon a quantity of merchandise purchased from the retailer through the co-branded Internet site**. Rather, it is only Appellants disclosure that teaches **providing members with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer through the co-branded Internet site**.

In view of the above, Appellants respectfully submit that the above rejection of independent claim 31 under 35 U.S.C. 103(a) should be withdrawn.

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**D. The rejection of claim 32 under 35 U.S.C. § 103(a) as being
unpatentable over Tobin in view of Official Notice**

Independent claim 32 is previously presented dependent claim 27, rewritten in independent form. The rejection of claim 32 (claim 27 in the Final Office Action mailed December 23, 2004), under 35 U.S.C. § 103(a) as being unpatentable over Tobin in view of the statement of Official Notice (with supporting evidence from CNet News.com article titled "AOL, Wal-Mart to team on Net service") is not correct and should be withdrawn, because the rejection fails to establish a case of *prima facie* obviousness.

In particular, Tobin and the article cited in support of the statement of Official Notice, individually and in combination, fail to teach or suggest **providing the members with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer, and further providing the members with a discount on merchandise purchased on the Internet shopping site accessed through the co-branded Internet site, wherein a rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider**. Rather, Tobin is acknowledged in the Final Office Action as failing to teach or suggest providing the member/shopper with a discount on subscription fees for the ISP. The article cited in support of the statement of Official Notice teaches that free Internet access service is offered irrespective of whether merchandise is purchased from the retailer, and fails to teach or suggest a discount on merchandise purchased on the Internet shopping site accessed through the co-branded Internet site, wherein a rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider, as set forth in independent claim 32.

Referring to Section 706.02 (j) of the MPEP, to establish a *prima facie* case of obviousness, three basic criteria must be met:

- (1) There must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference to combine reference teachings;
- (2) There must be reasonable expectation of success;

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- (3) The prior art reference (or references when combined) must teach or suggest all the claim limitations.

The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on Appellants disclosure. See *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (F.E.D. Cir. 1991).

Independent claim 32 recites a method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site with a graphical user interface. The method comprises providing members access to a co-branded Internet site including the graphical user interface of the Internet service provider accessed through the Internet service site and one or more links to the Internet shopping site of the retailer. Members of the co-branded Internet site are provided with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site. Members are provided with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer. Members are further provided with a discount on merchandise purchased on the Internet shopping site accessed through the co-branded Internet site, wherein a rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider.

Tobin is as discussed above in Section I.A.

Official Notice is as discussed above in Section I.A.

As described above, independent claim 32 recites, in part, **“providing the members with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer, and further providing the members with a discount on merchandise purchased on the Internet shopping site accessed through the co-branded Internet site, wherein a rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider.”**

The record provides no evidence that providing members with a discount on subscription fees for access to the recited co-branded Internet site, **based upon a quantity of**

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merchandise purchased from the retailer, and further providing the members with a discount on merchandise purchased on the Internet shopping site accessed through the co-branded Internet site, **wherein a rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider**, would have been obvious. As acknowledged in the Final Office Action, Tobin does not teach providing the member/shopper with a discount on subscription fees for the ISP. (See Final Office Action at page 3). In addition, the statement of Official Notice fails to suggest that the access to the free co-branded Internet site is **based upon a quantity of merchandise purchased from the retailer**, or further that **the rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider**. (See Final Office Action at page 3). The article cited in support of the statement of Official Notice includes no teaching or suggestion that the co-branded free Internet access service is related in any manner to a quantity of merchandise purchased from the retailer. In fact, the article implies that there is no relationship between the free Internet access service and a quantity of merchandise purchased from the retailer, stating: "If someone is standing in Wal-Mart with a cart full of disks and handing them out, it gives these people who may never have been on the Net a sense of security". (See "AOL, Wal-Mart to team on Net service" at page 2). In addition, article cited in support of the statement of Official Notice includes no teaching or suggestion that the rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider. To the contrary, the article implies that the free service is available to everyone, irrespective of a quantity of merchandise purchased from the retailer or the length of a member's subscription to the Internet service provider.

Appellants respectfully submit there is no suggestion or motivation provided in the art of record to provide members with a discount on subscription fees for access to the co-branded Internet site **based upon a quantity of merchandise purchased from the retailer**, and further providing the members with a discount on merchandise purchased on the Internet shopping site accessed through the co-branded Internet site, **wherein a rate of the**

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merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider. Further, Appellants submit that there is no authority or evidence to support the statement of Official Notice as to providing members with a discount on subscription fees for access to the co-branded Internet site **based upon a quantity of merchandise purchased from the retailer**, and further providing the members with a discount on merchandise purchased on the Internet shopping site accessed through the co-branded Internet site, **wherein a rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider.** Rather, it is only Appellants disclosure that teaches **providing the members with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer, and further providing the members with a discount on merchandise purchased on the Internet shopping site accessed through the co-branded Internet site, wherein a rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider.**

In view of the above, Appellants respectfully submit that the above rejection of independent claim 32 under 35 U.S.C. 103(a) should be withdrawn.

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Conclusion


For above reasons, Appellants respectfully submit that the cited art, alone or in combination with the statement of Official Notice, neither anticipates nor renders the claimed invention obvious, and therefore the claimed invention does patentably distinguish over the cited art. Therefore, Appellants respectfully submit that the rejections to pending claims 1-7, 10-24 and 30-32 are in error. Thus, Appellants respectfully request that the Board reverse the Examiner and find all pending claims allowable.

Any inquiry regarding this Appeal Brief to the Board of Patent Appeals and Interferences of the United States Patent and Trademark Office should be directed to William M. Hienz, III at Telephone No. (612) 573-2010, Facsimile No. (612) 573-2005.

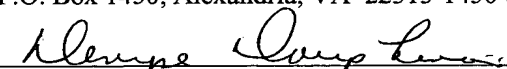
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CERTIFICATE UNDER 37 C.F.R. 1.8: The undersigned hereby certifies that this paper or papers, as described herein, are being deposited in the United States Postal Service, as first class mail, in an envelope address to: Mail Stop Appeal Brief-Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 20th day of June, 2005.

By 
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CLAIMS APPENDIX

1. (Previously Presented) A method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site with a graphical user interface, comprising the steps of:

providing members access to a co-branded Internet site including the graphical user interface of the Internet service provider accessed through the Internet service site and one or more links to the Internet shopping site of the retailer; and

providing members of the co-branded Internet site with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site;

wherein providing members incentives comprises providing the members with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer.

2. (Original) The method of claim 1 wherein providing the co-branded Internet site includes providing a link to the Internet shopping site on all pages of the Internet service site.

3. (Original) The method of claim 1 comprising providing the link to the Internet shopping site with icons comprising one or more trademark logos of the retailer.

4. (Previously Presented) The method of claim 1 wherein the graphical user interface of the co-branded Internet site includes a tool bar; and the method further comprises locating a link to the Internet shopping site on the tool bar.

5. (Original) The method of claim 1 wherein providing members incentives includes providing the members with a discount on merchandise purchased on the Internet shopping site accessed through the co-branded Internet site.

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6. (Previously Presented) The method of claim 1 wherein providing members incentives comprises providing members with access to advertising circular content for the Internet shopping site through the co-branded Internet site before corresponding printed advertising circulars are distributed.

7. (Previously Presented) The method of claim 1 wherein providing members incentives comprises providing members with notice of store-based clearances, promotional events and/or special events through the co-branded Internet site before publishing notices for such special events to non-members.

8 - 9. (Canceled)

10. (Previously Presented) The method of claim 1 wherein the retailer operates retail stores and the method further comprises distributing software for the co-branded Internet site at the retail stores.

11. (Original) The method of claim 1 comprising distributing software for the co-branded Internet site on the Internet shopping site.

12. (Original) The method of claim 1 comprising distributing software for the co-branded Internet site on the Internet service site of the Internet service provider.

13. (Previously Presented) The method of claim 1 comprising co-branding software for accessing the co-branded Internet site with designations of the retailer and the Internet service provider.

14. (Previously Presented) The method of claim 1 comprising co-branding software for accessing the co-branded Internet site.

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15. (Previously Presented) The method of claim 1 comprising advertising the co-branded Internet site on the Internet service site of the Internet service provider.
16. (Previously Presented) The method of claim 1 comprising:
providing the co-branded Internet site with a tool bar having a link to a menu list of a member's regularly used links; and
including an icon on the tool bar that is linked to the Internet shopping site.
17. (Previously Presented) The method of claim 16 wherein the icon comprises one or more logos of the retailer.
18. (Original) The method of claim 1 comprising providing the co-branded Internet site with retailer channel links to ISP channel page content of interest to one or more demographic groups of members.
19. (Original) The method of claim 1 comprising providing the Internet shopping site with retailer channel links to ISP channel page content of interest to one or more demographic groups of members.
20. (Original) The method of claim 19 comprising providing the Internet shopping site with retailer channel links to non-ISP channel page content.
21. (Previously Presented) The method of claim 1 wherein the co-branded Internet site includes a link to an application for a proprietary credit card issued by the retailer.
22. (Previously Presented) The method of claim 1 comprising providing the co-branded Internet site with links to departments within stores operated by the retailer.
23. (Original) The method of claim 22 wherein the links to the departments at the stores include order requests.

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24. (Original) The method of claim 1 comprising providing the co-branded Internet site with links to affiliates of the retailer.

25 - 29. (Canceled)

30. (Previously Presented) A method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site, comprising the steps of:

establishing a co-branded Internet site accessible through the Internet service site of the Internet service provider, the co-branded Internet site comprising designations of both the retailer and the Internet service provider, the co-branded Internet site including one or more links to the Internet shopping site of the retailer, wherein the Internet service provider offers a news channel featuring news articles of interest to a demographic group of members;

distributing at retailer locations client software for accessing the co-branded Internet site;

providing members of the co-branded Internet site with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site; and

providing to members a link to a news article and a link to a page on the Internet shopping site offering for sale a product featured in the news article.

31. (Previously Presented) A method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site with a graphical user interface, comprising the steps of:

providing members access to a co-branded Internet site including the graphical user interface of the Internet service provider accessed through the Internet service site and one or more links to the Internet shopping site of the retailer; and

providing members of the co-branded Internet site with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site;

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wherein providing members incentives comprises providing the members with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer through the co-branded Internet site.

32. (Previously Presented) A method for a retailer of the type having an Internet shopping site to sell merchandise over the Internet in affiliation with an Internet service provider of the type having an Internet service site with a graphical user interface, comprising the steps of:

providing members access to a co-branded Internet site including the graphical user interface of the Internet service provider accessed through the Internet service site and one or more links to the Internet shopping site of the retailer; and

providing members of the co-branded Internet site with incentives to access and shop on the Internet shopping site of the retailer through the co-branded Internet site;

wherein providing members incentives comprises providing the members with a discount on subscription fees for access to the co-branded Internet site based upon a quantity of merchandise purchased from the retailer, and further providing the members with a discount on merchandise purchased on the Internet shopping site accessed through the co-branded Internet site, wherein a rate of the merchandise discount and a period of time over which the merchandise discount is available varies on the basis of the length of a member's subscription to the Internet service provider.